



December 10, 2020

SUBMITTED VIA E-MAIL

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

**Re: Request for Extension of Time to Respond to File No. SR-FICC-2020-017;
Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice
of Filing of Proposed Rule Change to Modify the Calculation of the MBSD
VaR Floor to Incorporate a Minimum Margin Amount**

Dear Ms. Countryman:

The Independent Dealer and Trader Association (“IDTA”)¹ requests an extension of time – until January 29, 2021 – to respond to the Fixed Income Clearing Corporation’s (“FICC”) filing with the Securities and Exchange Commission (“SEC” or “Commission”) of the proposed rule change SR-FICC-2020-017 (the “Proposed Rule Change”) to amend the FICC Mortgage Backed Securities Division (“MBSD”) Rulebook (the “MBSD Rules”) in order to modify the calculation of the Value at Risk (“VaR”) floor through the introduction of a new “Minimum Margin Amount” charge against each clearing member.²

The Proposed Rule Change was published in the *Federal Register* on December 10, 2020, with a 21-day comment period set to close on New Year’s Eve – December 31, 2020.³ The

¹ The IDTA was formed to create a forum for independent dealers and traders to discuss and consider the impact of market operational issues on their industry sector and to advocate for constructive solutions that promote the liquidity and efficiency of capital markets. The objective of the IDTA is to form an interactive line of communication with regulators and other relevant policy makers, with particular emphasis on the Securities and Exchange Commission (“SEC”), the Treasury Department, and the Federal Reserve Bank of New York (“FRBNY”). The IDTA is composed of six organizations registered as broker-dealers or futures commission merchants (or affiliates of such organizations) that are not affiliated with a bank holding company. A list of current IDTA membership is attached as Appendix I. For additional information, visit IDTA’s web site: www.idtassoc.com/.

² Securities Exchange Act Release No. 34-90568 (Dec. 4, 2020), 85 Fed. Reg. 79541 (Dec. 10, 2020) (“Proposed Rule Change”), available at <https://www.govinfo.gov/content/pkg/FR-2020-12-10/pdf/2020-27087.pdf>. FICC also filed a nearly identical advance notice SR-FICC-2020-804 (“Advance Notice”) on November 27, 2020. See *Regulatory Rule Filings*, DTCC, <http://www.dtcc.com/legal/sec-rule-filings> (last visited Dec. 9, 2020). Though the advance notice has not yet been officially noticed by the SEC in the *Federal Register*, we wish to have sufficient time to respond to both the Proposed Rule Change and the Advance Notice, and therefore submit this letter as applicable to both. Capitalized terms not otherwise defined herein are defined in the Proposed Rule Change.

³ Proposed Rule Change, *supra* note 2, at 79548.

amendments to the MBSD Rules in the Proposed Rule Change will have a significant and lasting effect on market participants. Review by those market participants of these changes should not be unnecessarily rushed. The IDTA, moreover, believes that the Proposed Rule Change is inconsistent with the requirements of the Securities Exchange Act of 1934 (“Act”), and the rules and regulations thereunder applicable to FICC. The IDTA also believes that the Proposed Rule Change’s burden on competition is unnecessary and inappropriate in furtherance of the purposes of the Act. We are prepared to more fully explain our reasoning, but – given the December holidays and other end-of-year business matters to which we must attend – do not want to rush our response. The IDTA, therefore, requests an additional 30 days, until January 29, 2021, to respond to the Commission’s request for comment.

Section 19(b)(2) of the Act permits the Commission to extend the 45-day time period for Commission action on a proposed rule change to up to 90 days after publication of the notice of the filing in the *Federal Register*.⁴ Extending the comment period until January 29, 2021 (50 days from publication in the *Federal Register*), would still give the Commission 40 days to evaluate the public comments it receives and either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved.

* * *

The IDTA thanks the Commission for considering our request to extend the time period to comment on the Proposed Rule Change. Should you have any questions, please contact the undersigned.

Sincerely,



James Tabacchi
Chairman
Independent Dealer and Trader Association

CC: Michael Bodson, President and CEO, DTCC

⁴ See 15 U.S.C. § 78s(b)(2).

Appendix I: IDTA Membership

As of June 1, 2020

Aardvark Securities, LLC

Buckler Securities, LLC

Curvature Securities LLC

ED&F Man Capital Markets Inc.

Mirae Asset Securities (USA), Inc.

South Street Securities LLC